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DEPARTMENT OF COMMERCE

International Trade Administration

A-201-805

Certain Circular Welded Non-Alloy Steel Pipe from Mexico; Preliminary Results, Preliminary Determination of No Shipments, and Partial Rescission of Antidumping Duty Administrative Review; 2014-2015

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain circular welded non-alloy steel pipe from Mexico. The period of review (POR) is November 1, 2014, through October 31, 2015. This review covers eight producers/exporters of the subject merchandise, including two respondents selected for individual examination: Maquilacero, S.A. de C.V. (Maquilacero) and Regiomontana de Perfiles y Tubos, S.A. de C.V. (Regiopytsa). We preliminarily determine that Maquilacero and Regiopytsa made sales of subject merchandise at less than normal value during the POR. Additionally, we preliminarily determine that Lamina y Placa Comercial, S.A. de C.V. (Lamina y Placa) and Mueller Comercial de Mexico, S. de R.L. de C.V. (Mueller) had no shipments during the POR. Whirlpool Corporation (Whirlpool) timely withdrew its request for review of Burner Systems International (BSI); consequently, we rescind the administrative review with regard to BSI. Interested parties are invited to comment on these preliminary results.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]

FOR FURTHER INFORMATION CONTACT: Mark Flessner or Erin Kearney, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S.

Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6312 or (202) 482-0167, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 7, 2016, the Department published a notice of initiation of an administrative review of the antidumping duty order¹ on certain circular welded non-alloy steel pipe from Mexico.² This administrative review covers eight producers/exporters of the subject merchandise.³ As explained in the memorandum from the Acting Assistant Secretary for Enforcement & Compliance, the Department has exercised its discretion to toll all administrative deadlines due to the recent closure of the Federal Government.⁴ All deadlines in this segment of the proceeding have been extended by four business days. On July 26, 2016, and October 20, 2016, the Department extended the deadline for the preliminary results.⁵ The revised deadline for the preliminary results of this review is now December 5, 2016.

Scope of the Order

The products covered by the order are circular welded non-alloy steel pipes and tubes.

¹ See *Notice of Antidumping Duty Orders: Certain Circular Welded Non-Alloy Steel Pipe from Brazil, the Republic of Korea (Korea), Mexico, and Venezuela and Amendment to Final Determination of Sales at Less Than Fair Value: Certain Welded Non-Alloy Steel Pipe from Korea*, 57 FR 49453 (November 2, 1992) (the *Order*)

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 736 (January 7, 2016) (*Initiation Notice*).

³ Those eight companies are: (1) Conduit, S.A. de C.V. (Conduit), (2) Lamina y Placa, (3) Maquilacero, (4) Mueller, (5) Productos Laminados de Monterrey, S.A. de C.V. (Prolamsa), (6) PYTCO, S.A. de C.V. (PYTCO), (7) Regiopytsa, and (8) Ternium Mexico, S.A. de C.V. (Ternium). In addition, a review was requested by Whirlpool for BSI; however, all review requests for BSI were timely withdrawn; see the section entitled “Partial Rescission of Administrative Review,” below.

⁴ See Memorandum to the Record from Ron Lorentzen, Acting A/S for Enforcement & Compliance, regarding “Tolling of Administrative Deadlines As a Result of the Government Closure During Snowstorm Jonas,” dated January 27, 2016.

⁵ See Memorandum from Mark Flessner to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled, “Certain Circular Welded Non-Alloy Steel Pipe From Mexico: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review,” dated July 26, 2016; see also Memorandum from Mark Flessner to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled, “Certain Circular Welded Non-Alloy Steel Pipe From Mexico: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review,” dated October 20, 2016.

The merchandise covered by the order and subject to this review is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive. A full description of the scope of the order is contained in the Preliminary Decision Memorandum,⁶ which is hereby adopted by this notice and incorporated herein by reference. The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn>. The signed Preliminary Decision Memorandum and electronic versions of the Preliminary Decision Memorandum are identical in content.

Partial Rescission of Administrative Review

On November 3, 2015, the Department published in the *Federal Register* a notice of opportunity to request an administrative review of the antidumping order on certain circular welded non-alloy steel pipe from Mexico.⁷ The Department received multiple timely requests for an administrative review of the AD order on certain circular welded non-alloy steel pipe from Mexico and, on January 7, 2016, in accordance with section 751(a) of the Tariff Act of 1930, as

⁶ See Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, entitled, "Preliminary Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review: Certain Circular Welded Non-Alloy Steel Pipe from Mexico; 2014-2015" (Preliminary Decision Memorandum).

⁷ See *Antidumping or Countervailing Duty Order, Finding, or Suspension Agreement; Opportunity to Request Administrative Review*, 80 FR 67706 (November 3, 2015).

amended (the Act), the Department initiated a review of nine companies in this proceeding.⁸ In response to a timely-filed withdrawal request by Whirlpool, we are rescinding this administrative review with respect to BSI pursuant to 19 CFR 351.213(d)(1).⁹ Accordingly, the companies subject to the instant review are: Conduit, Lamina y Placa, Maquilacero, Mueller, Prolamsa, PYTCO, Regiopytsa, and Ternium, of which the Department has selected Maquilacero and Regiopytsa as the mandatory respondents.¹⁰

Preliminary Determination of No Shipments

Lamina y Placa and Mueller reported that they made no sales of subject merchandise during the POR.¹¹ On November 28, 2016, we issued a no-shipment inquiry to CBP to confirm the claims of no shipments by Lamina y Placa and Mueller. We have not yet received CBP's response to our inquiry. Therefore, based on the claims of no shipments by Lamina y Placa and Mueller, and because the record currently contains no information to the contrary, we preliminarily determine that Lamina y Placa and Mueller had no shipments of subject merchandise and, therefore, no reviewable transactions during the POR. However, we intend to consider information received from CBP in response to our no-shipment inquiry for the final results of this review. Moreover, consistent with our practice, we are not preliminarily rescinding the review with respect to Lamina y Placa and Mueller but, rather, we will complete the review with respect to these companies and issue appropriate instructions to CBP based on

⁸ See *Initiation Notice*.

⁹ See the Preliminary Decision Memorandum at the section entitled, "Partial Rescission."

¹⁰ See Memorandum from Mark Flessner to Scot Fullerton, Director, Antidumping and Countervailing Duty Operations Office VI, entitled, "Respondent Selection for the Administrative Review Circular Welded Non-Alloy Steel Pipe from Mexico, 2014-2015," dated March 21, 2016 (Respondent Selection Memorandum).

¹¹ See Letter from Lamina y Placa to the Secretary of Commerce entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Notice of No Sales," dated January 19, 2016. See also Letter from Mueller to the Secretary of Commerce entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Certification of No Shipments," dated February 9, 2016.

the final results of this review.¹²

Methodology

The Department is conducting this review in accordance with section 751(a)(2) of the Act. Export price (EP) is calculated in accordance with section 772 of the Act. Normal value (NV) is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. A list of topics discussed in the Preliminary Decision Memorandum is included as an appendix to this notice.

Preliminary Results of the Review

As a result of this review, we preliminarily determine the following weighted-average dumping margins for the POR:

Exporter or Producer	Weighted-Average Dumping Margin
Maquilacero, S.A. de C.V.	7.32 percent
Regiomontana de Perfiles y Tubos, S.A. de C.V. and PYTCO, S.A. de C.V. ¹³	2.14 percent
Conduit, S.A. de C.V.	3.30 percent
Productos Laminados de Monterrey, S.A. de C.V.	3.30 percent
Ternium Mexico, S.A. de C.V.	3.30 percent

For the rate for non-selected respondents in an administrative review, generally, the Department looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation. Under section 735(c)(5)(A) of the Act, the all-others rate is normally “an amount equal to the weighted- average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding

¹² See, e.g., *Certain Frozen Warmwater Shrimp From Thailand; Preliminary Results of Antidumping Duty Administrative Review, Partial Rescission of Review, Preliminary Determination of No Shipments; 2012-2013*, 79 FR 15951, 15952 (March 24, 2014), unchanged in *Certain Frozen Warmwater Shrimp From Thailand: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Partial Rescission of Review; 2012-2013*, 79 FR at 51306 (August 28, 2014).

¹³ The Department has preliminarily determined to treat Regiomontana de Perfiles y Tubos, S.A. de C.V., and PYTCO, S.A. de C.V., as a single entity. See Preliminary Decision Memorandum.

any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}.” Because applying our normal methodology of calculating a weighted-average dumping margin in this case could indirectly disclose business proprietary information, we have instead calculated a weighted-average margin for the non-selected respondents using the publicly available, ranged total U.S. sales values of the selected respondents.¹⁴ Accordingly, we have applied a rate of 3.30 percent to the non-selected companies, as set forth in the chart above.

Assessment Rates

Upon completion of the administrative review, the Department shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries.¹⁵ For any individually examined respondent whose weighted-average dumping margin is above *de minimis* (*i.e.*, 0.50 percent), we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer’s examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). Where either a respondent’s weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. For entries of subject merchandise during the POR produced by each respondent for which it did not know its merchandise was destined for the United States, we will instruct CBP to liquidate un-reviewed entries at the all-others rate if there is no rate for the intermediate company involved in the transaction.¹⁶

¹⁴ For further discussion, *see* the Preliminary Decision Memorandum.

¹⁵ In these preliminary results, the Department applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012).

¹⁶ *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

We intend to issue instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

The following deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of certain circular welded non-alloy steel pipe from Mexico entered, or withdrawn from warehouse, for consumption on or after the date of publication as provided by section 751(a)(2) of the Act: (1) the cash deposit rates for Conduit, Maquilacero, Prolamsa, Regiopytsa, and Ternium will be the weighted-average dumping margins established in the final results of this administrative review except if the rates are *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rates will be zero; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which the manufacturer or exporter participated; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value investigation but the manufacturer is, the cash deposit rate will be the rate established for the most recently completed segment of the proceeding for the manufacturer of the merchandise; (4) the cash deposit rate for all other manufacturers or exporters will continue to be 32.62 percent *ad valorem*, the all-others rate established in the original less-than-fair-value investigation.¹⁷ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

¹⁷ See *Final Determination of Sales at Less Than Fair Value: Circular Welded Non-Alloy Steel Pipe From Mexico*, 57 FR 42953 (September 17, 1992).

The Department intends to disclose to interested parties the calculations performed in connection with these preliminary results within five days of the date of publication of this notice.¹⁸ Pursuant to 19 CFR 351.309(c), interested parties may submit cases briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the date for filing case briefs.¹⁹ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.²⁰ Case and rebuttal briefs should be filed using ACCESS.²¹

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.²² Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. If a request for a hearing is made, parties will be notified of the date and time of the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2), the Department intends to issue the final results of this administrative review,

¹⁸ See 19 CFR 351.224(b).

¹⁹ See 19 CFR 351.309(d).

²⁰ See 19 CFR 351.309(c)(2) and (d)(2).

²¹ See 19 CFR 351.303.

²² See 19 CFR 351.310(c).

including the results of its analysis of the issues raised in all written case briefs, within 120 days after the issuance of these preliminary results.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h)(1).

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

December 5, 2016

Date

Appendix -- List of Topics Discussed in the Preliminary Decision Memorandum

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